Commission on Streamlining Government

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ADVISORY GROUP ON EFFICIENCY AND BENCHMARKING

MINUTES
MEETING OF AUGUST 18, 2009

I. CALL TO ORDER

A meeting of the Advisory Group on Efficiency and Benchmarking was held on Tuesday, August 18, 2009, in Senate Committee Room A at the State Capitol in Baton Rouge, Louisiana. The Chairman, John Kennedy, called the meeting to order at 1:30 PM.

II. ROLL CALL

The secretary called the roll and the following was noted:

MEMBERS PRESENT	MEMBERS ABSENT
John Kennedy, Chairman	
Leonal Hardman, Member	
Jim Napper, Member	

STAFF PRESENT
Greg Waddell, Coordinator
Chris Adams, Attorney
Tammy Cormier, Secretary

III. WITNESSES PRESENT

C.B. Forgotston
Johnny Rambach

IV. DISCUSSION

Mr. John Kennedy stated the advisory group chairman had the authority to appoint additional members to each committee and he was in the process of doing that. He appointed Mr. Jim Napper who was currently the executive counsel to the Department of Treasury. He had a lot of experience in the private sector. He was formally general counsel for Bank One when it was re-structuring. A list was handed out of suggested dates for meetings and he was open to suggestions on that. He didn't know that he would follow those dates identically but when the committee did meet, he would give everyone notice and would try to work around their schedules. There was a lot of overlap between and among the committees. All the committees were looking for ways to reduce the cost of state government without impacting quality of service/product. He believed it could be done. There was testimony in the full commission meeting of instances where it could be done. He anticipated inviting folks in who had experience in state government in doing those sorts of things. He invited two people today (C.B. Forgotston and Johnny Rambach). C.B. Forgotston was a long time employee of state government. He ran the money part of the state for a number of years. He was an integral part of putting together HB 1. Since then, he was in the private sector. He was an attorney and knew an awful lot about state government. He asked Mr. Forgotston if he were king for a day, what would he do to reduce the size of government without impacting the quality of service.

Mr. C.B. Forgotston stated he would look at how much money there was as opposed to looking at the size of government. He would figure out how to deliver the same services either cheaper or more efficiently. It needed to be returned to the basics. He would go back to the constitution. What was mandated by the people to deliver in the form of government services? There were also federal mandates. Of late, it had been operating on the basis of how much money there was. State government was an old model locomotive. It was invented by Huey Long. It hadn't changed much. The tax structure used was invented by Earl Long. Huey wanted to give everyone everything and take it from standard oil. Earl Long wanted to spread the load around to the other businesses in the state. He wanted to give everyone everything they wanted to keep them happy. He just taxed businesses. Back in those days, Louisiana lead the nation in some things. The last ten, fifteen or twenty years, Louisiana had been last in everything that was good and first in everything that was bad. The budget had been increased from 1812 (became a state) until about 1966 to $1 billion dollars. Since 1966, it increased (at one point) 40 times. He was talking about spending. He didn't think it made a difference if it were federal or state money. It all came out of his pocket. Just because the feds offered a 70/30 match or a 90/10 match, that was the reason why the state was in such trouble. He remembered (in 1970s) when he worked for the appropriations committee, there was a Medicaid Program. It sounded like a great deal. It gave the poor people something they needed. It was great because the feds paid 70-80%. When the state didn't have money, they couldn't rid of it because the people were used to it. It was an optional thing. If he were king, the first thing he would do would be to eliminate all funding to local governments. It was not the responsibility of the state with the exception (it was a recent addition) of a supplemental pay for police and firemen. There were no mandate in the constitution. It was the people's document. They were the ones that said what the legislature and governor had to do. About 22 years ago, he figured out a $1 billion dollar problem. He thought that was overwhelming. Today, it was a $4 billion dollar problem. He thought government was too big. He went and looked up what more scholarly people thought. They said in 2007, state government grew too big too fast. It had too many employees. The budget at that time was $29.7 billion dollars. It was roughly that today. The same person that said those words (current ceo) also added $1 billion dollars to the budget. The last session, he took credit for reducing the budget. The amount of increase was reduced. The big bucks were not in there. He wanted an idea of what it would cost to run government under the current constitutional mandate. In 2005, he was living pretty good. He had all the government services he could afford. He didn't have any government services that he thought were choking off anyone. People weren't dying in the streets. The budget at that time (for 4.5 million people) was $17.6 billion dollars. Today the budget was roughly $30 billion dollars for a population of 4.4 million people. There were 100,000 less people and almost twice the budget but the same constitution. He didn't know of anything that was mandated since Katrina in the constitution that made the state government cost so much. The federal funds that came in for the man-made disaster were being phased-out. He blamed that on the Corps of Engineers. The damage from Katrina and Rita would never be fixed. From the government standpoint, there was enough government in 2005. He didn't find any gaping holes. There weren't people marching on the capitol saying they were dying and needed things. $20 billion dollars was dumped into the budget. Not much was gotten for the money accept a bigger budget. The business model said more should be done with less. It took him a long time to figure out people couldn't run government like a business. He gave up saying that. He didn't think people knew what they were talking about when they did that because a business had a profit motive that didn't exist in government. Government existed just the opposite. Government spent all the money it could. If it wasn't spent, they wouldn't get that much for the next year. There was no incentive to save money. It had to be considered. The bottom line was that the budget was too big. The goal should be to make government affordable to the people, meet the mandates and at an affordable rate. Less had to be done with less. Why not go back to August 2005? He didn't remember the state agencies being reduced significantly for the fact that the price of gasoline was down. The economy had been stagnant and money was added to the budget. People in the private sector were just happy to have a job. If the airlines told their employees they would either close down or everyone had to take a 5% pay cut, he thought they would take a 5% pay cut.

Mr. John Kennedy asked if payments were reduced to local governments, what would be done to allow local government to be able to make up the gap.

Mr. C.B. Forgotston answered it was contingent upon finding a number for the state budget that meet the mandates. It was talked about in 1987, 1988 and 1989 with fiscal reform. It would push the local functions back to the local government and give them the authority to raise the revenues. He wouldn't mention lowering the homestead exemption. Most everyone in the private sector (the public) believed that sales taxes were fair. The sales taxes didn't bring in as much money to the state as in the past. He believed if the local functions were moved back to the local government, at least 2 cents of the state sales tax could be eliminated. That put the decision making closer to the people. No one wanted to pass a sales tax to do things. They wanted the legislators to pass a tax because the legislators didn't have to deal with the people like the local government people did. It would still require a vote of the people. Someone had to make a case for the expenditure. It was easy to take federal money and state money if one didn't have to vote to raise the taxes. He wanted to go to the people and ask them. There was a time when he looked at every individual budget. He remembered having an argument on the house floor over putting mud-grip tires on all the wildlife and fisheries trucks. Someone objected saying they just needed to be on the enforcement vehicles. If that were done, they wouldn't be able to have as many trucks. Decisions should be made that crossed the line but still looked individually at each agency budget. He wanted to figure out what was needed. In 2005, the budget was $17 billion dollars. Why not go back to that? He was not saying to roll back everyone's salary, just don't give any more raises until things turned around. That was being done in the private sector now. When the legislature created the group, he thought they bought time until the economy recovered. Working for the appropriations committee, the best time to make major policy changes was when there was no money. His last year (Dave Treen's first year), there was a $600 million dollar surplus and it was spent in 30 minutes in the House Appropriations Committee. Everyone that went to the capitol for money, went home mad. They wanted more money than what was given them. It was a perfect opportunity. He didn't believe that was why the legislature passed the streamlining commission. He thought it was to look at a temporarily fix for two years when the national economy turned around-the oil and gas revenue. He lived for 18 years with temporarily taxes. Call the cuts (13-14 billion dollars) temporary and no one should be upset. He wanted to do it now.

Mr. John Kennedy asked Mr. Forgotston if he had any thoughts in terms of the number of employees.

Mr. C.B. Forgotston answered he didn't know. The size of the budget needed to be set first. Then determine how many employees needed to carry out the essential functions. There was about 15,000 more employees than the southern average. It was great if Louisiana was above the southern average in all of the product production but he didn't think that was right. Programs had to be eliminated. Amputate the parts that weren't essential as set forth in the constitution. He understood the legislative and political mentality of just getting through until the next election but things were past that.

Mr. Leonal Hardman stated he was a prior 27 year civil service employee. He understood the governor's vision and what the commission was charged with. He understood what the sub-advisory committee was charged with. Government service was perhaps not as efficient as some would like it to be, but it was dependable. State government needed to be well confined to look at every area. Streamlining government shouldn't start based on hampering public services by those individuals who provided public services. He saw through the years that a contractor got a contact. The revisions were the guidelines in the contract and the mandates of the contract. Inspectors were there making sure the guidelines were met. They were underbid so that was passed onto the consumers. Then they got sub-par work. State and civil service employees had to go in and maintain sub-par work (an additional expenditure passed onto to taxpayers). He could understand the fact that government needed to be streamlined. He wanted to make sure there was ethics and everyone was held accountable. State and civil service employees were the ones that showed up in weather (Katrina and Rita). Many of them left their homes and came south to make sure they did everything possible. They cared about their jobs because it reflected them. People were talking about public servants again on the backs of streamlining government. Changes needed to be made. There was a movement that talked about the PPR rating (merit system) in the Division of Administration. Currently, if one met requirements, they got a 4% but that was not a guarantee merit raise. It was something they earned based upon the evaluation of their supervisor. They were proposing to the same civil service employees that to meet requirements now was 3% and if they exceeded requirements, they got 4%. The tax payers were suffering enough. Outsourcing and privatization was here today and gone tomorrow. Cost effectiveness in government needed to be looked too.

Mr. C.B. Forgotston stated he didn't disagree. As far as outsourcing and privatization, it didn't reduce the size of government. Just reducing employees across the board for the sake of reducing employees didn't fix anything. He didn't believe in across the board budgeting and across the board cuts or across the board increases. It rewarded the incompetent at the expense of the competent. He wanted to find out what services were essential and fund those properly. He would love to see the commission come up with a list of what was the most important things (in descending order) for state government to do. When the money ran out, just set priorities.

Mr. John Kennedy stated it was the approach that Governor Locke took in 2003 in Washington State. They ran a $2 billion dollar deficit. They had a $24 billion dollar budget. The governor convinced the legislature to throw out the old budget and start fresh. They went in and cataloged every single service/product that state government provided. It was like 12-1,400 different ones. Then they were forced to rank them in order. When they ran out of money, the projects didn't get funded. It forced them to decide what their priorities were. Everyone started out saying the priorities were education. That required them not to do their NGO's for that year, if they didn't rank them up to.

Mr. C.B. Forgotston stated it seemed like common sense. Everyone had to do that in their personal life. One didn't go out and buy a new vehicle if their child needed an operation. He didn't know what the state's priorities were. He used to say education was number one. It was in Louisiana, right after everything else. One only had to look at the last session when education (the most important thing) and healthcare (also important) were the ones that took the biggest hit. He knew some things in the budget were not as important.

Mr. John Kennedy stated the response often heard was that higher education and healthcare took the cuts because legislators had no choice.

Mr. C.B. Forgotston stated he ran the numbers. Looking at constitutional protected funds talked about 13% of the state budget. Hearing about the un-cuttables and statutory dedication. Statutory dedication didn't mean anything to a legislator. They were the ones in charge of the budget. The governor couldn't cut it. If someone truly wanted something dedicated, they either put it in the constitution or either had the good will of the legislature to go by. He would like to find the essential services that was needed and pay good wages to the people that delivered those services. He was not talking about the un-classified people. The legislature and judiciary was all unclassified. Look at the people that delivered the services and pay them right. Instead of having every service and everyone take a hit, then people got no good services and none were happy with the pay. He wanted to find out what government needed to do for the people. Realistically, he wanted to look at how fast it grew and what the people could live with and decide what the essentials were.

Mr. Jim Napper stated he agreed. Keep cutting across the board, one will never get where they want to be. The state needed to go back to the basics and only pay for essentials. What were some of the things being done now that were not essentials?

Mr. C.B. Forgotston stated the biggest chunk was funding local government functions. He was from a rural parish that was very poor. Everyone was hard-headed up there. They tired to save all the schools and ended up with one school. Put the burden back on local government. He wanted to fund state government services first. It wouldn't be easy because people had a difference of opinion as to what state services were. Pennsylvania had a good budget). In 2006, they had a population of 12 million (about 3 times Louisiana). The budget was $27.5 billion (smaller than Louisiana). Everyone didn't have charity hospitals. They did all have charity hospitals but they were county hospitals. There was one in Hammond. It was a parish hospital (North Oaks). It was a very good hospital but it was a government hospital. It was ran from the parish level and actually made money. It funded itself. They were not at the capitol asking for money all the time. Louisiana didn't know what a state service was. Louisiana has been funding it all since the days of Huey Long. It was set up intentionally so the governor could control the local governments. It was the purpose and it still existed today for the exact same purpose.

Mr. Jim Napper stated would it not be a good idea to take the 2005 budget and the 2010 budget and put them next to each other and compare things. Shouldn't it show where all the additional spending was at?

Mr. C.B. Forgotston stated it should and no one ever did that. People always asked him where all the money went. It was one thing people never saw analyzed by the legislature.

Mr. Jim Napper stated (if) the Department of Treasury went up 400% in 5 years.

Mr. C.B. Forgotston stated people could not only see where they money was spent but also see what the results were. There was suppose to be performance based budgeting someplace. Say an extra billion dollars was dumped into higher ed. Then ask what the ranking was in 2005. See if the money was worth it. Looking at the list of how much the money went up and the current rankings in things that counted, Louisiana was still rock bottom. That was not getting the money's worth according to him.

Mr. John Kennedy asked Mr. Johnny Rambach the same question (about being king for a day).

Mr. Johnny Rambach stated he spent 27 years in government. He did many reports on wasteful government spending. There was a big jump in the budget after Katrina but prior to that Louisiana was probably 4th in the south in spending. Currently Louisiana was 2nd. Louisiana was probably 20-something in the nation. Either case, it was already a big spending state. He suggested looking at the problem 3 fold. One part was where the money went since 2005, who got the money and was it used wisely. There was plenty of money being wasted all around. In the case of DHH, about $2 billion was being spent on a per-capita basis more than Mississippi. Louisiana battled them for the 49th and 50th position in healthcare every year. They were spending $2 billion less than Louisiana. He wanted to do what they were doing and save $2 billion dollars. Spend the money wisely and get ahead of them. Demographically, Louisiana was very similar to them. The problems were similar but Louisiana was doing it in a much more wasteful manner than they were. He wanted to look at 2005 and the present in detail. The fiscal office had a list of all the new enhancements in detail. Someone could track them and see what they did. Prior to 2005, money was being wasted because people had the Huey Long mentality. There were many institutions over-spending on a macro level but any one institution was under-funded. Looking at the hospitals, there were too much bricks and mortar. There needed to be more outreach and the facilities needed to be out in the communities. When Sen. Dardenne passed the bill dealing with community colleges, he made it clear to use the bricks and mortar that was already in place. More facilities were built instead. It was not cost-effective. The money needed to be spent more wisely. They couldn't perform well if all the money was going toward insurance cost and maintenance. Recently the Deaf and Blind schools decided to merge. The state was spending $800,000 dollars a year to maintain the blind school when the deaf school had 4 or 5 buildings that were empty and 105 acres on a beautiful safe campus. That should had been done 15 years ago.

Mr. John Kennedy asked why wasn't it done before.

Mr. Johnny Rambach answered the in-fighting. The blind school wanted their own 105 acre campus. It was the same thing with the universities. There was far too many high level institutions and not enough community colleges in the community for people to use. There was one major university in Wisconsin. Higher education argued they were $125 million dollars short of the southern average. They said they were way underfunded yet on a per-capita general fund level (state funds of taxpayer money), they were only $18 million dollars short. There was a problem funding higher education. It was not nearly as big as they said. Universities were not what they said they were. Trying to fund a doctoral school was much greater than a community college or a four-year teaching institution. The funding hole disappeared when one properly tiered the schools aside from having too many four year colleges and not enough community colleges.

Mr. John Kennedy asked about thoughts not just for higher education but also for elementary and secondary education for the amount of money being spent on non-instructional personnel verses in the classroom.

Mr. Johnny Rambach stated one of the biggest categories of overage on employment was in a category in the census bureau of other. They didn't know what it was. He thought it was part of the school board legacy. They hired people when they got elected. They were not in the classroom, not principals or supervisors. They were somewhere else and the census bureau did not know where to put them. It was $80 million dollars worth of people. That difference almost made up the teachers pay raise problem at the time. It was how business was done in the state. Until that changed, one would not fix the problem. On bad years, they would say there was no money. Then on a big windfall, they would have a big party and not fix anything because there was money coming in. People could identify the money from 2005 by program, initiative and by performance. The Huey Long legacy was really hard to fix. The local government was an issue.

Mr. Jim Napper stated he would translate a lot of it into the political will to do it.

Mr. Johnny Rambach stated that had been the problem.

Mr. Jim Napper asked how did one change that. If there were 97 good ideas, what would it take to get 50 of those implemented? As in the past, they might not get any implemented.

Mr. Johnny Rambach answered because of the local nature of the problem, people wouldn't vote on any one hospital or school to change. One would have to do a base-closing type committee like the feds did with the military. The whole package up or down. Looking at the data from the local government, a lot more was being spent. There was more school funding burdens that other states didn't have. They had problems with too many local boards and commissions, too many governmental appointees and other things. Bo Ackel had a big list of all the funding that was being done locally that wasn't really needed.

Mr. Leonal Hardman stated he remembered having a conversation around 2005. The red flag came up that state government business needed to be done differently. His quote was that if he ran his business the way that the state ran their business, he would be bankrupt. He wanted to make sure whatever contracts entered into, that the state would get the most for the money. He didn't want to pay for a service that he already paid for. Louisiana was a great state that consisted of great individuals. He didn't want to put it all on streamlining civil service or state employees. He wanted the committee to receive the information and make the right decision based upon facts.

Mr. Johnny Rambach stated he did a study on the retirement systems investment procedures and policies. In Texas, with a portfolio about six times Louisiana, they spent about $2 million dollars less per year investing.

Mr. John Kennedy asked why.

Mr. Johnny Rambach answered they were doing it in-house. They were spreading it wide safely in-house. Louisiana was doing about 1/3 in-house. Merge investments could all sit on the board and have a group investment. It would pull the money and do as much as possible in-house. Get Louisiana citizens to invest money. It would save $60-80 million dollars a year. Put that back into the UAL (unfunded crew liability), it would generate billions in savings after a couple years. It would place more people in the state as hired. It was a win, win, win and they didn't want to do it. A lot of money would be saved by merging them. He watched the state do so many terrible out-source contracts. They picked the wrong vender and designed it a certain way so that a certain person got it and they were not qualified. One of the best systems was the old facts and tracts system that Charlie Roemer did. It was in-house. It worked a lot better and didn't cost a fraction as much. It got obsolete after a while because it was 20-30 years old. He liked the in-house system. He wasn't suggesting to privatize everything. The privatized prisons helped a lot. The public ones learned how to do things by watching the privatized prisons. It worked well.

Mr. John Kennedy stated privatization worked in some cases and in some cases it didn't. There was an article in the morning paper where the city of Walker had been paying outside attorney fees. They were spending $150,000 a year. They just decided to hire a lawyer for $70,000. It depended upon the circumstances.

Mr. Johnny Rambach stated it took a lot of oversight to make sure it was being done properly and the value was there.

Mr. John Kennedy stated a quarter of the budget (if not more) was being spent on healthcare. Every year it went up. Currently it was close to $8 billion dollars. Did the state need to emphasize less institutional care and more preventive care?

Mr. Johnny Rambach stated the care needed to be brought into the community. The feds didn't want to historically pay for that. With all the controversy going on nationally, it was hard to do anything. He wanted to get a waiver to provide care in the community. More partnerships with the privates needed to be made. It was a over-hospitalized state. The private sector and public sector together, there were too many. He wanted to figure out a way to help the privates with the cost of taking indigent care. It was a big burden on them. A ton of money was being spent on Medicaid and Medicare budgets.

Mr. John Kennedy stated there was 1.2 million people on Medicaid. There was 650-700,000 people on Medicare. There was 800,000 people uninsured. People with Medicaid and Medicare and private insurance had insurance. Any hospital could take them as patients and be paid. Traditionally, the uninsured were treated at the charity hospital. Charity was paid extra by the federal government to treat. If Congress passed some sort of healthcare reform and many of those uninsured patients had insurance (provided by the government), what impact would that have on charity? Before, they had no insurance so they were encouraged to go to charity. Now they had insurance, would those patients be recruited by other hospitals because they could pay?

Mr. Johnny Rambach stated if the payment rate was high enough, they would. It would depend on the rate of payment.

Mr. John Kennedy stated the president already proposed it. Nothing passed, but given the majority of one party in both houses, it was a safe bet that something would pass eventually. President Obama already proposed cutting the dis-proportion shared program by 70%. That was how charity hospital was funded.

Mr. Johnny Rambach stated that would be the end of that.

Mr. John Kennedy stated it would change the whole funding mechanism for public health in Louisiana.

Mr. Johnny Rambach stated it would resolve itself. It would either lose a bunch of private hospitals or lose a bunch of public hospitals. They wouldn't all keep surviving.

Mr. John Kennedy stated if there were 800,000 people and half had insurance, they would become in-play for all the hospitals.

Mr. Johnny Rambach stated provided the reimbursement was enough that they would want to take them, it would be the issue. If it were enough to cover the variable cost, they would take them.

Mr. John Kennedy asked if there were any thoughts on transportation/infrastructure.

Mr. Johnny Rambach answered not a lot except that the process was messed up.

Mr. John Kennedy stated there were great state employees. Were there too many?

Mr. Johnny Rambach stated definitely. They were underpaid relative to their peers and there was too many. Shift it around and pay them the proper salary and reduce the ones that were not needed. They could rid the extra people and have money to pay a decent salary. The tax policies had to be changed so the private sector could grow and hire people. The local small business man and woman were overtaxed. It was not a thriving community like it should be. One had to identify what the critical areas were to keep the people in.

Mr. John Kennedy stated he was not a big believer in arbitrarily cutting x number of people from each department. Some jobs were more important than others. Looking at layers of management, he couldn't image why any agency should have 5 (6 at the most) layers of management. Looking at spans of control (managers supervising employees), in the world of computers, not as many in support staff were needed.

Mr. Johnny Rambach stated so many wouldn't go to Houston or Austin. Very few people graduated and stayed in Louisiana. Having better paying jobs with more responsibilities would capture some of the skilled people. There was an under-skilled workforce. They was too many and they were underpaid.

Mr. Leonal Hardman stated looking at the layers of management. In certain areas of state government, it shouldn't take 5 layers of management to get one order out. In getting down to the individuals that actually did the work, they didn't have enough individuals to do it. When he sat down with civil service, it was one of the most important things they were looking at. Sometimes there could be too many chiefs and not enough indians in government. The public services rendered were by those individuals out there on the job. Streamlining government wasn't coming from the top, it came from the bottom. It affected those individuals who provided that public service one on one to the public sector. Because of the downsizing of employees, they could only do one task. The management tiers never change.

Mr. Johnny Rambach stated he always heard there were various tiers of management because the people maxed out the category in ten years. There wasn't enough raises given across-the-board to keep it going so they created more jumps. They got their pay raise by creating new managerial positions because they weren't getting their across-the-board pay raises.

Mr. John Kennedy stated the report from the Medicaid Program pointed out last year there was 1.2 million people who received Medicaid. That was 27% of the population. The average spent per recipient was $4,439 dollars. The average premium for one person for a health insurance policy was $4,700. If that kind of money was being spent and there were 1.2 million people, why not go to a health insurer and ask for the best price to write everyone a health insurance policy?

Mr. Johnny Rambach stated the only caveat was that many of the people had more problems than the general population.

Mr. John Kennedy stated if there was a wash, think of how much would be saved in terms of the administration of the Medicaid Program. Had anyone ever looked at that?

Mr. Johnny Rambach stated he thought the governor was looking at that when he was at DHH. David Hood talked about it a bit. It was a good way of addressing the whole issue.

Mr. John Kennedy stated he watched the national debate and many of the insurance companies anticipated boom years because they would have all the new insured patients. If one went to a Humana or a Blue Cross and told them there was 1.2 million new customers, one could make an intelligent underwriting decision using years of data. It would save a lot of money and free the people to go anywhere with quality insurance.

Mr. Johnny Rambach stated he thought it was what Sec. Jindal (at the time) and David Hood were looking at. They were considering that 5 years ago. It made sense. If they gave money directly to the indigent people (instead of going through the bureaucracy), they could be almost middle-class.

Mr. Jim Napper stated it was benchmarking by looking at what was spent in the past verses now. He wanted to determine that it was spent effectively. Since he had been in state government, there was a performance management. It was the attempt to do that. Has it worked?

Mr. Johnny Rambach stated it wasn't implemented properly. It was rushed for other reasons.

Mr. Jim Napper stated it was an attempt to benchmark or measure something.

Mr. Johnny Rambach stated that was what it was described as being.

Mr. Jim Napper asked how did one do that better. Was there a better way to do it?

Mr. Johnny Rambach answered he suggested they take one agency and do it properly. Public safety had their data and were fairly measurable. He wanted to do that one for a year, see what the problems were and then expand. Instead, the whole thing was done in six months.

Mr. Jim Napper asked if the appropriations committee did it.

Mr. Johnny Rambach answered it was Mr. LeBlanc and Mr. Gene Vandal.

Mr. John Kenndey stated the tendency for the agency was to come up with an indicator that they could easily meet.

Mr. Jim Napper asked what would be a better procedure to measure if the department was spending its money wisely.

Mr. Johnny Rambach answered it was why he wanted to take a year to do one agency and check other states who were doing it. He wanted to take a 3 or 4 year period and do it right. The whole state took 6 months.

Mr. Jim Napper stated maybe one or two agencies at a time.

Mr. Johnny Rambach stated it was hard.

Mr. John Kennedy stated one really had to fight the bureaucracy. The tendency of every agency would be to give a performance indicator that was easy to meet so they looked good.

Mr. Johnny Rambach stated a lot of them couldn't find one that meet that. They couldn't find a good one.

Mr. John Kennedy stated they had to decide what did they want the department to achieve.

Mr. Johnny Rambach stated it took time and a lot of work and it wasn't done. There was a much better budget 25 years ago. There were more indicators, better indicators and a fraction of the size in cost.

Mr. John Kennedy stated that concluded the agenda. He wanted everyone to think about what they wanted to propose. He was ready to start accepting motions to send to the commission. He would ask Sec. Alan Levine to speak to the committee about healthcare.

V. ADJOURNMENT

Mr. John Kennedy stated the committee would adjourn.

______________________ ___08.24.09____

John Kennedy, Chairman Date